



michigan municipal  
league

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Dear Senate Finance Committee Members:

When the personal property tax (PPT) reform passed the legislature last December, the League was neutral as the plan was tied to the August 2014 statewide ballot initiative. We were encouraged that this would give us time to work on the pieces of the legislation where questions remain about how the plan would work if it is implemented.

During this year we've been involved in a large workgroup with all stakeholders as well as a smaller drafting group to work through the unresolved issues in the proposal. As we articulated to a December 2013 letter to Lt. Governor Calley (attached), our largest concerns were the legality of the essential services assessment and the impact of the proposal on general obligation bonds that are funded through our tax capture districts including DDAs and LDFAs.

We are pleased with the progress of the drafting group in advancing the details of the proposal. Senate Bills 489 and 490 are reflective of the work of the drafting group, and we are neutral on this legislation as we continue to work through the other important pieces of this proposal. There is still work to be done on the rest of the legislation, and our neutrality considers the remaining work that needs to be accomplished; in particular the aforementioned other significant remaining issues.

We look forward to continue the positive efforts of the workgroup and drafting group, and are eager to resolve the remaining issues as identified by our members.

Sincerely,

Samantha Jones Harkins  
Director, State Affairs